

## Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Unit Name Dorr Township Library Fund	County Allegan
Fiscal Year End March 31, 2007	Opinion Date June 22, 2007	Date Audit Report Submitted to State July 19, 2007	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

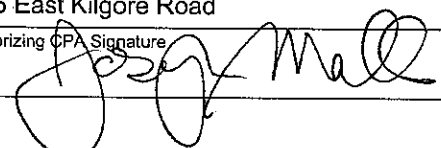


Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

<b>We have enclosed the following:</b>	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input type="checkbox"/>	None required	
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) Siegfried Crandall PC		Telephone Number 269-381-4970	
Street Address 246 East Kilgore Road		City KALAMAZOO	State MI
Authorizing CPA Signature 		Zip 49002	License Number 1101013696
Printed Name Joseph M. Walls, CPA			

*Dorr Township Library Fund*  
**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT**  
*Year ended March 31, 2007*

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## INDEPENDENT AUDITORS' REPORT

**Board of Trustees  
Dorr Township Library**

**We have audited the accompanying financial statements of Dorr Township Library Fund, a special revenue fund of the Township of Dorr, Michigan, as of and for the year ended March 31, 2007, as listed in the contents. These financial statements are the responsibility of Township of Dorr management. Our responsibility is to express an opinion on these financial statements based on our audit.**

**We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.**

**As discussed in Note 1, the financial statements present only the operations of Dorr Township Library Fund and are not intended to present fairly the financial position and results of operations of the Township of Dorr, Michigan, in conformity with U.S. generally accepted accounting principles.**

**In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Dorr Township Library Fund as of March 31, 2007, and the results of its operations for the year then ended in conformity with U.S. generally accepted accounting principles.**

*Siegfried Crandall P.C.*

**June 22, 2007**

## **FINANCIAL STATEMENTS**

**Dorr Township Library Fund**  
**BALANCE SHEET**  
March 31, 2007

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ASSETS	
Cash	\$ 101,396
Due from other governmental units	<u>3,793</u>
TOTAL ASSETS	<u>\$ 105,189</u>
LIABILITIES AND FUND BALANCE	
Payroll liabilities	\$ 2,485
Fund balance - unrestricted, undesignated	<u>102,704</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 105,189</u>

See notes to financial statements

**Dorr Township Library Fund****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL***Year ended March 31, 2007*

	<u>Original budget</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:				
State grants - state aid	\$ 4,734	\$ 4,734	\$ 4,996	\$ 262
Charges for services	4,000	4,000	3,366	(634)
Fines and forfeitures:				
Penal fines	43,000	44,130	44,529	399
Other fines	-	-	5,562	5,562
Total fines and forfeitures	43,000	44,130	50,091	5,961
Interest	550	550	583	33
Other:				
Refunds and reimbursements	-	780	780	-
Contributions and grants	550	550	506	(44)
Miscellaneous	7,100	7,100	2,460	(4,640)
Total other	7,650	8,430	3,746	(4,684)
Total revenues	59,934	61,844	62,782	938
EXPENDITURES:				
Recreation and cultural:				
Payroll	84,686	85,836	80,272	5,564
Book purchases	12,428	12,993	11,295	1,698
Audio-visual materials	2,500	3,015	3,017	(2)
Periodicals	2,000	2,000	1,962	38
Collection and office supplies	3,700	3,700	3,059	641
Professional and contracted services	8,000	9,500	9,540	(40)
Community promotions	1,250	2,080	1,501	579
Education and training	500	500	360	140
Insurance	100	100	100	-
Communications	2,000	2,050	1,886	164

*See notes to financial statements*

**Dorr Township Library Fund****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (Continued)***Year ended March 31, 2007*

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	<u>Original budget</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
EXPENDITURES (Continued):				
Recreation and cultural (continued):				
Maintenance and services	\$ 8,000	\$ 6,850	\$ 4,986	\$ 1,864
Electronic access	13,000	13,000	12,261	739
Transportation	450	450	420	30
Miscellaneous	<u>1,080</u>	<u>1,080</u>	<u>1,302</u>	<u>(222)</u>
Total recreation and cultural	139,694	143,154	131,961	11,193
Capital outlay	<u>6,350</u>	<u>4,850</u>	<u>3,812</u>	<u>1,038</u>
Total expenditures	<u>146,044</u>	<u>148,004</u>	<u>135,773</u>	<u>12,231</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(86,110)	(86,160)	(72,991)	(13,169)
OTHER FINANCING SOURCES:				
Transfer from General Fund	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>-</u>
NET CHANGES IN FUND BALANCE	(6,110)	(6,160)	7,009	(13,169)
FUND BALANCE - BEGINNING	<u>95,695</u>	<u>95,695</u>	<u>95,695</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 89,585</u>	<u>\$ 89,535</u>	<u>\$ 102,704</u>	<u>(13,169)</u>

*See notes to financial statements*



**Dorr Township Library Fund**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The accounting policies of Dorrr Township Library Fund conform to U.S. generally accepted accounting principles (hereinafter referred to as generally accepted accounting principles) as applicable to governments. The following is a summary of the more significant accounting policies:

*a) Reporting entity:*

These financial statements include only Dorrr Township Library Fund (the Library), a special revenue fund of the Township of Dorrr, Michigan, and, as such, are not intended to present fairly the financial position and results of operations of the Township of Dorrr, Michigan, in conformity with generally accepted accounting principles.

The general purpose financial statements of the Township of Dorrr, Michigan, are available at the Township offices.

*b) Basis of accounting:*

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements.

All governmental fund types are accounted for using the modified accrual basis of accounting. Revenue is recognized when it becomes measurable and available to finance expenditures of the fiscal period and is considered fully collectible.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

*c) Budgets and budgetary accounting:*

The Library follows the procedures in establishing the budgetary data reflected in the financial statements in accordance with the Uniform Budgeting and Accounting Act (Act No. 621, Public Acts of 1978) as prescribed by the State of Michigan.

The Library's budget has been adopted at the line-item level and is on a basis consistent with generally accepted accounting principles.

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:**

Budgetary information - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. The budget document presents information by function and line item. The legal level of budgetary control adopted by the governing body is the line item level. All annual appropriations lapse at the end of the fiscal year. There were no significant budget variations.

**Dorr Township Library Fund**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**NOTE 3 - CASH:**

Cash, as presented in the accompanying financial statements consists deposits with financial institutions.

*Deposits with financial institutions* - State statutes and the Library's investment policy authorize the Library to make deposits in the accounts of federally-insured banks, credit unions, and savings and loan associations that have an office in Michigan. The Library's deposits are in accordance with statutory authority.

Custodial credit risk is the risk that, in the event of the failure of a financial institution, the Library will not be able to recover its deposits. Deposits are exposed to custodial credit risk if they are not covered by federal depository insurance and are uncollateralized. As of March 31, 2007, none of the Library's bank balances of \$101,396 was exposed to custodial credit risk, because it was insured.

The Library evaluates each financial institution with which it deposits funds and assesses the risk level of each financial institution. Only the institutions with an acceptable estimated risk level are used as depositories.

**NOTE 4 - RISK MANAGEMENT:**

The Library is exposed to various risks of losses for claims arising from general liability, wrongful acts, professional liability, property damage and destruction, crime, accidents, and injuries. Risks of losses arising from possible claims are managed through the purchase of commercial insurance.

For all risks of loss, there have been no significant reductions in insurance coverage from coverage provided in prior years. Also, in the past three years, settlements did not exceed insurance coverage.